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United Nations Volunteers

United Nations Volunteers
UNV Strategic Framework, 2018-2021

Summary

The UNV Strategic Framework, 2018-2021, builds on the previous framework for 2014-2017. The first strategic framework since the adoption of the 2030 Agenda for Sustainable Development, it seeks to leverage the power of volunteerism and volunteers as a means of: (a) implementation; and (b) people engagement for attainment of the Sustainable Development Goals. To this end, the strategic framework focuses on two main outcomes and on institutional effectiveness:

1. Outcome 1: The efforts of Member States to deliver on the 2030 Agenda are supported through volunteerism as an effective means of implementation and people engagement;
2. Outcome 2: The United Nations system is supported to deliver on the 2030 Agenda through the engagement of UN Volunteers and the integration of volunteerism; and
3. Institutional effectiveness: making UNV fit for purpose.

The UNV Strategic Framework, 2018-2021, is guided by 2016 quadrennial comprehensive policy review of operational activities for development of the United Nations system and United Nations General Assembly resolution 70/129 on integrating volunteering into peace and development: the plan of action for the next decade and beyond. It consists of a narrative that outlines UNV strategic intent and offer to partners, and a results matrix that articulates specific, measurable outcomes, outputs and indicators.

The Executive Board may wish to take note of the UNV Strategic Framework, 2018-2021.

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I. Strategic setting: UNV and the 2030 Agenda

1. The international community is implementing the ambitious development plan embodied in the 2030 Agenda for Sustainable Development.[1] This has set clear direction for UNV – together with General Assembly resolution 70/129 on integrating volunteerism into peace and development: the plan of action for the next decade and beyond[2] and resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system.[3] Member States' strategic guidance underscores the need for inclusive, context-tailored and nationally owned approaches to eradicate extreme poverty, reduce exclusion, address inequalities and enable a life of dignity for all.

2. Widespread poverty and rising inequalities can disrupt the path to sustainable development. Global issues, such as the impact of climate change and violent extremism, create multiple vulnerabilities, even in countries once considered stable. Recent mass migration and displacements have demonstrated the importance of global interdependence. The 2030 Agenda offers Member States, the private sector, civil society, academia and the United Nations system a historic opportunity to marshal their individual and collective resources to localize the Sustainable Development Goals, to engage people in finding and implementing solutions, and to address inequalities, including issues of gender. The 2030 Agenda will have to be meaningful at both the local and national levels where people can experience positive change and transformation. This centrality of people in the agenda makes volunteerism and UNV more relevant than ever.

3. Volunteerism galvanises all types of people, including those who have not traditionally benefitted from or been given the opportunity to contribute to peace and development. Ultimately, volunteering is an expression of civic engagement and individuals' involvement in their communities (be it local, national or international). Well-supported and facilitated volunteerism, integrated into national practices and policies, gives people and communities the opportunity to directly engage and have an impact in achieving the Goals.[4]

4. UNV, through the placement of volunteers within the United Nations system and the promotion of volunteerism, will: (a) contribute to raising awareness of the 2030 Agenda in remote areas and with marginalized populations; (b) enable the monitoring of the Goals through citizen-driven qualitative and quantitative data collection; (c) provide technical expertise to encourage conducive policy environments and opportunities for people to volunteer; (d) help improve the delivery of services; and (e) model behaviours to inspire others. UNV also contributes to United Nations peace and humanitarian efforts, as illustrated in the 2,500 UN-Volunteers deployed each year of the 2015-2016 biennium in peacekeeping and special political missions in 17 countries.[5]

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[1] General Assembly resolution 70/1, "Transforming our world: the 2030 Agenda for Sustainable Development", 25 September 2015, available at: https://undocs.org/A/RES/70/1.

[2] General Assembly resolution 70/129, "Integrating volunteering into peace and development: the plan of action for the next decade and beyond", 17 December 2015, available at: https://undocs.org/A/Res/70/129.

[3] General Assembly resolution 71/243, "Quadrennial comprehensive policy review of operational activities for development of the United Nations system", 21 December 2016, available at: https://undocs.org/a/Res/71/243.

[4] General Assembly resolution 63/153, "Follow-up to the implementation of the International Year of Volunteers", 11 February 2009, available at: https://undocs.org/a/Res/63/153. For example, DP/FPA/2017/9, UNFPA Strategic Plan 2018-2021, available at: http://www.unfpa.org/sites/default/files/resource-pdf/DP.FPA_2017.9_-_UNFPA_strategic_plan_2018-2021_-_FINAL_-_25July2017_-_corrected_24Aug17.pdf.

[5] The term "UN-Volunteers" refers to the individual volunteers deployed by UNV.

5. As a shared platform and common service for the United Nation system, UNV must further enhance its impact by strengthening and diversifying its international, national and online UN-Volunteer modalities and by providing volunteer advisory services. To this end, UNV has collaborated with UNDP, UNFPA, the United Nations Children's Fund (UNICEF) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) in their respective strategic planning processes, enabling their collective commitment stated in the common chapter of their strategic plans to "build on recent progress in engaging citizens through volunteerism, empowerment, participation and other means to strengthen national ownership and capacity, and delivery of the sustainable development agenda."[6]

II. Lessons learned

6. The external independent evaluation of the first UNV Strategic Framework, 2014-2017, stated that the framework was instrumental in giving UNV clear strategic focus and in positioning it as a relevant actor in integrating volunteerism as an effective means of implementation.

7. The implementation of UNV thematic global programmes for 2014-2017 – which include access to basic social services; community resilience for environment and disaster risk reduction; peacebuilding; youth; and national capacity development through volunteer schemes – started late, primarily owing to UNV capacity constraints. According to the evaluation, only national capacity development through volunteer schemes (volunteer infrastructure) emerged as an area of strong comparative advantage for UNV. As a result, rather than pursuing separate global programmes, it was recommended that UNV leverage its technical expertise and focus programmatic work on national capacity development through volunteer schemes (volunteer infrastructure) in the new strategic framework. This will enable stronger development outcomes in all relevant thematic areas, corresponding to the 2030 Agenda and national development priorities.

8. The intended Strategic Framework, 2014-2017, annual mobilization target of 10,000 UN-Volunteers was not met. While the number of UN-Volunteers mobilized between 2014 and 2017 remained stable, at approximately 6,000 per year, the proportion of national to international UN-Volunteers during the same period grew from 28 to 40 per cent.[7] UNV needs to revamp its traditional business model of mobilizing primarily international UN-Volunteers (historically between 70 and 80 per cent of overall numbers), redouble its focus on United Nations partners, and diversify its partners to maintain relevance in the fast-changing peace, development and humanitarian contexts. United Nations system partnership diversification for UNV within the last Strategic Framework, 2014-2017, was stymied by internal operational impediments. UNV should make it easier to work with new partners within the United Nations system.

9. Recognizing that strengthening and consolidating UNV regional and country-level presence has been a step in the right direction, the independent evaluation recommended greater devolution of responsibilities to the regional and country level. UNV launched a transformation process in 2017 that aims to address impediments and ensure the organization can effectively deliver on the Strategic Framework, 2018-2021.

[6] For example, DP/FPA/2017/9, UNFPA Strategic Plan, 2018-2021, available at: http://www.unfpa.org/sites/default/files/resource-pdf/DP.FPA_2017.9_-_UNFPA_strategic_plan_2018-2021_-_FINAL_-_25July2017_-_corrected_24Aug17.pdf.

[7] The term "national UN-Volunteers" refers to volunteers mobilized within their own countries; "international UN-Volunteers" refers to volunteers mobilized across borders.

III. Development vision and outcomes

10. UNV envisions a world where volunteerism is recognized and integrated as a means of engaging people in sustainable peace and development, thereby helping societies to become more cohesive and stable.

A. Outcome 1. The efforts of Member States to deliver on the 2030 Agenda are supported through volunteerism as an effective means of implementation and people engagement

11. UNV will offer substantive expertise on volunteerism and volunteer infrastructures as a vehicle for capacity development across the 2030 Agenda and to support Member States in their effort to attain national development outcomes and reach the Goals. These include the following.

12. *Supporting Member States in developing programmes, policies and legislation that promote volunteerism and volunteer action through advisory services.* This action includes: (a) scoping and assessments of national volunteer contexts focused on policies and legislation, volunteer schemes, technological context, funding mechanisms and knowledge generation; (b) co-creating online and onsite institutional arrangements to support volunteering and increase participation from different groups, especially engaging women and young people, to achieve national development outcomes; (c) facilitating national capacity development to manage large-scale volunteer schemes supported with training manuals, toolkits and standards for management of volunteers; (d) providing guidance, methodologies for monitoring and evaluating the contribution and impact of volunteerism and volunteers to national and local development efforts including cost-benefit analysis of funded schemes; and (e) supporting the measurement of the scale and scope of volunteering through tools and technical support to implement the International Labour Organization (ILO) manual on the measurement of volunteer work.[8]

13. *Enhancing understanding of volunteerism and its value through knowledge exchanges on volunteerism for sustainable development.* This action includes: (a) developing a body of evidence on volunteerism through cutting edge research that addresses knowledge gaps in, one, (1.1) policy and legislation (including practices that support volunteerism as an inclusive means of implementation for the 2030 Agenda), two, (1.2) schemes and organizations at the national and subnational levels, and three, (1.3) data on the contribution of volunteer activities to development outcomes; (b) producing the State of the World's Volunteerism Report; (c) providing support to evidence exchange, particularly South-South exchange, ensuring diverse experiences are reflected in global research, evidence and measurement instruments; and (d) supporting intergovernmental dialogue on volunteerism through existing mechanisms, such as the voluntary national review process, the regular report of the Secretary-General to the General Assembly on volunteering, the 2019 regional consultations and the 2020 Global Technical Meeting on Volunteerism.

B. Outcome 2. The United Nations system is supported to deliver on the 2030 Agenda through the engagement of UN-Volunteers and the integration of volunteerism

14. In order to help the United Nations system and its various parts to address their different thematic needs under the 2030 Agenda and the quadrennial review, UNV will focus on the following core services to enhance United Nations development, peace and humanitarian impact by strongly focusing on existing United Nations system partnerships and by diversifying and scaling up new partnerships. These include the following.

[8] The ILO manual on the measurement of volunteer work, available at: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/meetingdocument/wcms_100574.pdf.

15. *Expanding the opportunities for people to contribute as volunteers to the United Nations development, peace and humanitarian efforts* by: (a) responding rapidly and effectively to meet the needs and interests of United Nations partners through the deployment of qualified international, national and online UN-Volunteers, including youth volunteers; (b) enhancing United Nations partners' capacities by packaging and blending volunteer modalities, including, one, (2.1) integration of UNV and volunteerism within the strategic, policy and operational framework agreements of United Nations partners and, two, (2.2) development of specific UN-Volunteer service lines for United Nations partners; and (c) piloting the provision of advisory services to United Nations partners by, one, (3.1) scoping and assessments of the potential contribution of volunteerism within organizational strategies, projects and programmes, two, (3.2) reviewing current volunteering modalities, three, (3.3) establishing schemes and programmes, and four, (3.4) providing capacity development inputs, including manuals, risk management, and monitoring and evaluation frameworks to enhance volunteerism.

16. *Promoting volunteerism with United Nations partner entities and integrating volunteerism in United Nations development assistance frameworks and relevant programme documents at country level*, with the aim of facilitating opportunities for motivated, well-equipped volunteers to contribute to United Nations peace, humanitarian and development efforts. In this context, in order to support United Nations partners in the delivery of the 2030 Agenda, UNV will refine and integrate its databases of aspiring onsite and online volunteers who are interested in serving with the United Nations system, and it will develop more specialized, tailored rosters adapted to partners' demands.

IV. Implementation arrangements

Partnerships

17. The 2030 Agenda demands a revitalized global partnership that leverages the resources of all stakeholders to achieve the Sustainable Development Goals. To this end, UNV will emphasize partnerships with emerging development partners and further promote South-South cooperation, while at the same time it will strengthen its relationship with traditional partners to enhance the volunteer resource base. UNV will also support Member States in their efforts to establish a nurturing environment for volunteerism and volunteer placement, with increasing government funding to support national volunteer infrastructure initiatives. In addition to United Nations system partnerships outlined in the previous section, UNV will seek innovative partnerships with the private sector, civil society, foundations and international financial institutions through targeted, results-oriented engagements. These efforts will include the following.

18. *Strengthening partnerships with Member States*. UNV will expand and diversify its resource base by engaging with a wide range of countries. UNV will specifically strengthen and diversify partnerships for the Special Voluntary Fund to broaden the coalition of partners supporting the UNV mandate and the continuous innovation of volunteer modalities. In addition, in order to address the resource requirements of the Strategic Framework, 2018-2021, UNV will reach out to traditional and emerging development partners to scale up complementary funding modalities, such as volunteer opportunities sponsored by Member States, trust funds and cost-sharing of national volunteer infrastructure by programme country governments.

19. *Strengthening engagement with volunteer involving organisations, academia and the private sector*. UNV will continue to enhance its close partnerships and engagement with volunteers, involving organizations and academia to promote and continue building an evidence-based case for volunteerism for sustainable

development. As a critical development partner, the private sector will be engaged to support corporate volunteering and other business practices promoting volunteerism, whereas partnerships with foundations and international financial institutions will be sought to facilitate blended financing for innovative volunteer solutions.

20. Investments will be made in the plan of action as a global framework for building stronger alliances at country, regional and international levels. As the secretariat for the plan of action, designated by the General Assembly in its resolution 70/129,[9] UNV will continue to strengthen its role as convener for multi-stakeholder partnerships for volunteerism and the Goals.

Institutional effectiveness

21. To ensure that UNV remains fit for purpose to deliver on its mandate and to accompany the implementation of the 2030 Agenda, UNV will strengthen its systems and institutional effectiveness.

22. *Capacity to deliver.* UNV aims to achieve organizational excellence and an outstanding ability to deliver on its core mandate. Lean, efficient and decentralized organisational structures as well as an empowered, highly skilled, engaged workforce are two key conditions. In addition, as an important asset to the United Nations system administered by UNDP, UNV will both contribute to and leverage UNDP and its widespread country presence as an operational platform. An openness to embrace change and a willingness to work across organizational boundaries are a must for the organization if it wishes to stay relevant and resilient and contribute to achieving the targets of the Strategic Framework, 2018-2021, and the 2030 Agenda.

23. *Operational excellence.* Two key elements fundamental to UNV delivery capabilities include: (a) improvement of operations around the UNV business model by streamlining policies, systems and processes related to volunteer management; and (b) improvement of UNV agility and connectedness through continued digital transformation and operational optimizations, especially where these reduce costs and facilitate inter-agency collaboration. This includes building on recent gains made to digitize UNV volunteer management applications in favour of more efficient volunteer and recruitment management.

24. *Operational infrastructure.* UNV will have a more focused, empowered country presence with up to 60 field units and five regional offices, and it will leverage the presence of other United Nations organizations based on demand and resource availability. In addition, UNV will prioritize operations in least developed and landlocked developing countries, small-island developing states and countries with United Nations peacekeeping missions, with additional considerations given to countries with large volumes of deployed UN-Volunteers. This will be supported by a greater devolution of authority to the country and regional offices, streamlining and simplification of business processes.

[9] General Assembly resolution 70/129, "Integrating volunteering into peace and development: the plan of action for the next decade and beyond", 17 December 2015, available at: http://undocs.org/A/Res/70/129.

V. Results matrix

25. The results matrix for the UNV Strategic Framework, 2018-2021, sets out the results and measures that allow UNV and stakeholders to monitor achievements, learn lessons and hold the organization accountable.

Outcome 1. The efforts of Member States are supported to deliver on the 2030 Agenda through volunteerism as an effective means of implementation and people engagement.				
Outcome indicators			**Baseline** (2016, unless noted)	**Target** (2021)
Percentage of countries reporting the positive contribution of volunteerism to the Sustainable Development Goals in voluntary national reports on progress towards the Goals.			39% (2017)	50%
Percentage of volunteers mobilized in regional/national volunteer schemes supported by UNV.			125,000 (2016-2017)	170,000
Outputs *(*UNV provides specific support for the following results*)*	**Output indicators** *(*output indicators measure only those results from schemes, services, plans, actions that are specifically *supported* by UNV*)*		**Baseline** (2016, unless noted)	**Target** (2021)
Output 1.1. Member States are supported in developing programmes, policies and legislation that promote volunteerism and volunteer action.	**1.1.1**	Number of volunteer schemes (online, onsite, regional, national, subregional, youth, etc.) supported by UNV.	17 onsite, 2 online	25 onsite, 7 online
	1.1.2	Number of Member States partnering with UNV to integrate social inclusion and gender equity in their policies on volunteerism.	0	5
Output 1.2. Promotion of volunteerism and its value is advanced through engagement of Member States, civil society and academia in research, public dialogue, documentation and dissemination.	**1.2.1**	Number of Member States contributing research and knowledge products to the plan of action.	1	20
	1.2.2	Number of plan of action partners engaged in technical meetings and consultations at global and national levels disaggregated by governments, civil society, private sector, academia	8	25

Outcome 2. The United Nations system is supported to deliver on the 2030 Agenda through the engagement of UN-Volunteers and integration of volunteerism.				
Outcome indicators			**Baseline** (2016, unless noted)	**Target** (2021)
Percentage of United Nations partners reporting the positive contribution of UN-Volunteers (online and onsite) to their mandate.			92% onsite, (2017) 90% online	95%
Percentage of United Nations partners and United Nations partner country offices engaging UN-Volunteers (online and onsite cumulative).			38 partners, 654 country offices	40 partners, 686 country offices
Outputs *(UNV provides specific support for the following results)*	**Output indicators** *(output indicators measure only those results from schemes, services, plans, actions etc. which are specifically supported by UNV)*		**Baseline** (2016, unless noted)	**Target** (2021)
Output 2.1. Expand the opportunities for more people to contribute to United Nations development, peace and humanitarian efforts.	**2.1.1**	Number of months volunteered per year (online and onsite), disaggregated by the Goals.	54,554 onsite, 2,099 online	61,200 onsite, 2,667 online
	2.1.2	Number of people volunteered per year through UNV (online and onsite), disaggregated by gender, age, North/South, country of origin.	6,590 onsite, 12,592 online	7,500 onsite, 16,000 online
	2.1.3	Number of requests from United Nations partners for volunteer advisory services provided by UNV.	0	To be determined
Output 2.2. Motivated, well-equipped volunteers mobilized to contribute to United Nations peace, humanitarian and development efforts.	**2.2.1**	Percentage of UN-Volunteers (online and onsite) reporting that their assignment enhanced their personal and professional development, disaggregated by gender.	94% onsite, 94% online	95%
	2.2.2	Percentage of UN-Volunteers (online and onsite) satisfied with their volunteering experience.	91% onsite, 92% online	95%
Institutional effectiveness: UNV is fit-for-purpose				
Results statement	**No.**	**Indicators**	**Baseline** (2016, unless noted)	**Target** (2021)
1. Culture and capacity to deliver.	**1.**	Percentage of staff engagement.	79%	85%
	2.	Number of business days for national and international UN-Volunteer deployment	35 (national) 65 (international)	21 (national) 55 (international)

2. Leveraging partnerships to deliver.	**3.**	Cumulative quadrennial other resources mobilized (*in United States dollars*).	$50 million (2014-2017)	$60 million (2018-2021)
3. Operational excellence.	**4.**	Management efficiency ratio (percentage, average during the strategic framework period).	9.75%	8%

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Recommendations of the Board of Auditors

UNDP and UNCDF: Report on the implementation of the recommendations of the United Nations Board of Auditors, 2016

Summary

In July 2017, the United Nations Board of Auditors formally issued its audit report for UNDP (A/72/5/Add.1) and the United Nations Capital Development Fund (UNCDF) (A/71/5/Add.2), and awarded UNDP and UNCDF an unqualified (clean) audit opinion for the year ended 31 December 2016. This is the fifth full year of reporting under the International Public Sector Accounting Standards (IPSAS), and the opinion reiterates the continuing commitment of UNDP and UNCDF to comply with IPSAS. This achievement marks 12 consecutive years of unqualified audit opinions for UNDP.

The Administrator wishes to emphasize that productivity, transparency and accountability continue to be top priorities for UNDP. The governance mechanisms and the accountability framework ensure that funds are administered with appropriate fiduciary accountability, reinforced by a commitment to new ways of working. UNDP continuously learns from and implements recommendations of its independent oversight bodies to help drive efficiency and effectiveness. For the second year, UNDP retained its top ranking in the 'Publish What You Fund' aid transparency index by increasing the quality and quantity of its project results, financial data, and documents published in 2016.

As UNDP improves its standards of organizational productivity, transparency and accountability, the strategic management of top audit-related priorities will be closely monitored, with the direct engagement of the Administrator and the Associate Administrator.

The present report reviews the progress made in addressing the top seven audit-related management priorities for 2016-2017 (presented in document DP/2017/11 and supported by the Executive Board in its decision 2017/5); and reports on the implementation status of the recommendations of the Board of Auditors for the year ended December 2016. Pursuant to decision 2010/9, details of the implementation status of the audit recommendations and the full report of the Board of Auditors are available on the UNDP Executive Board website.

Elements of a decision

The Executive Board may wish to: (a) note the unqualified audit opinions issued by the Board of Auditors for 2016; (b) note progress made by UNDP and UNCDF in addressing the top seven audit-related priorities in 2016-2017; and (c) support ongoing UNDP and UNCDF management efforts in addressing and implementing the recommendations of the Board of Auditors for the year ended 31 December 2016.

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I. Introduction

1. UNDP and UNCDF have received an unqualified (clean) audit opinion from the Board of Auditors on its financial statements for the year ended 31 December 2016. For UNDP, this marks 12 consecutive years of unqualified audit opinions – an important achievement, as it reiterates the UNDP commitment to continuous improvement in financial management, transparency and accountability. UNDP will continue to strive for greater operational excellence. The tone set at the top, by the Administrator, has been instrumental in enabling UNDP to receive unqualified audit opinions.

2. Annex 1 presents the top seven audit-related management priorities for 2016-2017. These reflect progress made on the original top priorities of previous years. The reduction in the number of top audit priorities from 15 to seven since 2006-2007 is an indication of the improved performance of UNDP offices in their efforts to deliver on the UNDP mandate. To sustain this improved level and realize additional gains, UNDP will further strengthen its proactive oversight and monitoring activities.

3. The current list of seven top audit-related management priorities was established subsequent to discussions with the Board of Auditors, the UNDP Office of Audit and Investigations, and the Audit and Evaluation Advisory Committee. The present report takes into consideration comments of the Advisory Committee on Administrative and Budgetary Questions (A/69/386) and the Fifth Committee in their respective reviews of the report of the Board of Auditors (A/72/5/Add.1) and the concise summary of principal findings and conclusions contained in the reports of the Board of Auditors for the 2016 annual financial period (A/72/176).

II. Review of progress made in addressing the top seven audit-related management priorities in 2016-2017

4. Although UNDP has moved to an annual financial audit cycle under IPSAS, UNDP considers it necessary to track progress over a two-year period by drawing on lessons learned from the two preceding years of IPSAS-based audits by the Board of Auditors.

5. Based on the findings of the Board of Auditors for the period ended 31 December 2016, and on discussions with the Office of Audit and Investigations and the Audit and Evaluation Advisory Committee, there is general agreement that encouraging progress has been made on all of the top seven audit-related priorities for the 2016-2017 period, although progress on aspects of each audit priority indicates that more work needs to be done.

6. Annex 1 contains a summary of the progress assessment of the top seven audit-related management priorities for the 2016-2017 period. The results of the internal assessment have been presented and endorsed by the Organizational Performance Group meeting, chaired by the Associate Administrator, and reviewed by the Executive Group meeting, chaired by the Administrator.

7. The following is a summary of progress made in the top seven audit-related management priorities for 2016-2017.

A. Implementing partner fiduciary and capacity management

8. This priority seeks to address the management of unique issues associated with the national implementation modality and implementation of projects through non-governmental organizations. UNDP relies heavily on regular project monitoring and compliance with the harmonized approach to cash transfers, complemented by the annual financial audits of such projects, to provide assurances on how such projects are managed.

9. To address this priority, management planned the following actions: (a) ensuring the full implementation of the harmonized approach to cash transfers, combined with capacity-building

initiatives where gaps were identified, and a change of implementation modality where an implementing partner had recurring negative audit ratings; and (b) where fraud was substantiated, pursuing full recovery of lost funds based on the actions proposed by a cross-functional task force established to improve recovery of funds lost due to fraud.

10. As of July 2017, 89 per cent of country offices had carried out macro assessments – a significant increase compared to the 72 per cent that had done so as of 31 December 2015. The volume of micro assessments has also increased, with 794 micro assessments of implementing partners completed by November 2017, compared to 224 as of March 2017. Clauses in programme agreements have been supplemented with fraud clauses on fiduciary risk management and controls.

B. Programme/project management and evaluation

11. This priority includes improving the quality of results-centred programme and project management through the Integrated Results and Resources Framework and the project-level quality assurance system; strengthened risk management of high-risk projects of the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFAM); improved pace of programme and project implementation; and timely financial closure of projects and refunds to donors.

12. Planned management actions included: (a) the March 2016 roll-out of programme and project management reforms, including the new quality assurance system, with which country offices have been given one year to become compliant; (b) roll-out of the new strategy to strengthen decentralized evaluation and development of guidance; (c) tools, training and processes to address the recurring risks under sub-recipients, and procurement and supply management in GFAM projects; and (d) ensuring timely closure of projects through effective oversight and monitoring, noting that some of the challenges are occasionally due to pending actions by external stakeholders such as donors or implementing partners.

13. As of July 2017, 155 country offices have quality-assured 100 per cent of their projects; four are at over 90 per cent completion; and four are below 90 per cent completion. While progress has been made in this area, the target of 100 per cent compliance has not been reached. The new evaluation policy, adopted by the Executive Board in its decision 2016/17, aims at strengthening the evaluation function both in its institutional mission to support accountability and learning and in the quality of independent and decentralized evaluations. UNDP and the Independent Evaluation Office work to improve the quality and utility of the decentralized evaluation function and promote evidence-based programming. They strive to (a) strengthen the normative basis for evaluations; (b) support capacity development of monitoring and evaluation staff, processes and systems; (c) enhance the utility and effective use of evaluations for learning and results; and (d) establish and support national evaluation capacities. In 2016, the Evaluation Office reviewed, in 2016, the practice of quality-assessing decentralized evaluations. The Office noted, in the 2016 annual report on evaluation, that 75 per cent of the assessed evaluations had been rated 'satisfactory' or 'moderately satisfactory'. Those ratings indicate that the evaluations followed the minimum evaluation criteria stated in the yellow handbook guidance on planning, monitoring and evaluating for development results. To better understand and further strengthen the utility of decentralized evaluations, the 2016 results-oriented annual reports continued to capture feedback from country offices on the quality of evaluation recommendations and their relevance for future programming. The consolidated rating indicated that 78 per cent of the 2016 decentralized evaluations were considered 'useful' or 'moderately useful', which is a 10 per cent increase compared to the 2015 rating. The ongoing reform and rewriting of UNDP prescriptive content on programme and project management will clarify and strengthen the requirements for decentralized evaluation in line with the Quadrennial Comprehensive Policy Review, 2017-2020.

14. As a measure of progress on recurring risks, the number of Office of Audit and Investigations recommendations on GFAM audits under procurement and sub-recipient management decreased significantly, from 52 in 2015 to 23 in 2016. Country offices showed an

improvement in closing inactive projects, with a 67 per cent reduction in inactive projects by October 2017 compared to December 2016. However, performance in closing inactive trust funds worsened, increasing by 26 per cent as of October 2017 compared to December 2016. This is being addressed by management on an ongoing basis, through regular communication to country offices.

15. Inactive project and trust funds closure remains a recurring and challenging area, since external stakeholders have a role to play in the processes required for closing projects or trust funds. Further progress is needed in this area, through engagement with external stakeholders to ensure timely closure of inactive projects and trust funds. There is active follow-up with all bureaus of the organization to ensure that required actions are being taken through quarterly communication to all offices from the Chief Finance Officer. In addition, a monthly status report by the Office of Financial Resources Management/Bureau for Management Services is shared with all country offices and bureaus. Further progress is expected as bureaus develop time-bound action plans for addressing the issue by the second quarter of 2018.

C. Procurement oversight and fraud mitigation strategies

16. This priority includes enhanced procurement compliance and risk management (planning, certification, capacity assessments); and strengthened consolidated category-based procurement, with proactive investigations to mitigate risk of procurement-related frauds.

17. Planned management actions were: (a) consolidation and centralization of high-risk/ high-volume procurement to the regional hubs and the Global Shared Services Unit when the procurement capacity of an office was assessed to be low; (b) development of an action plan to improve the recoveries from fraud based on root-cause analysis; (c) development and roll-out of anti-fraud training; and (d) roll-out of the e-tendering platform to improve compliance during the bidding process.

18. To increase capacity at field level, UNDP is assigning additional procurement specialists to regional hubs for country office support, and has ensured that centralized higher-risk procurement receives top priority. UNDP has clustered the financial function in one region to improve oversight and financial control.

19. To address the implementation of recommendations from the report of the Office of Audit and Investigations on vendor management, the 'supplier of interest' project was established. The project addresses the implementation of recommendations pertaining to the centralization of vendors; monitoring and oversight; and automation of Atlas vendor management processes. The following have been completed under this project: (a) roll-out of the vendor management dashboard for monitoring the vendor database; (b) introduction of mandatory fields in creating, approving and monitoring vendors, to avoid duplication of vendors; and (c) automation of vendor archiving, to implement the vendor management audit. The Vendor Review Committee now meets regularly and has doubled the number of cases closed.

20. UNDP has launched a series of corporate tools to strengthen the procurement function. They include: (a) workbenches and a dashboard for the 'supplier of interest' project, which identifies and assists in correcting issues with payees, using Microsoft 'Power BI' data visualization software; and (b) the Procurement Management and Planning Platform ('PROMPT') 2.0, a corporate procurement planning tool that replaces static requisition plans. As of November 2017, 38 country offices are using e-tendering across five regional bureaus.

21. Further progress is needed in this audit priority, and UNDP has continued to prioritize the implementation of audit recommendations related to recurring procurement issues. Work on oversight mechanisms is under way, with a new standard operating procedure for creation of payee records in Atlas (vendor module) under review. The procedure, which includes new payee classifications and risk assessment measures, is planned for roll-out in the first quarter of 2018. As of October 2017, a review of vendor records resulted in the archiving of 269,506 of the 426,213 payees, leaving 156,707. The procurement 'risk radar' is in development and will be

launched by the end of 2017. The risk radar uses internal and external indicators to inform increased delegation of procurement authority decisions and assess local markets. Progress has been accelerated by a time-bound action plan with clear milestones to ensure that audit recommendations are implemented as agreed with the auditors.

D. Human resources management and appropriate organizational structures

22. Under this priority, UNDP seeks to ensure effective human resources management; the alignment of structures with its strategic direction; mitigation of fraud risks; and improved recovery of fraud-related losses from staff and service contractors.

23. Key planned management actions to address these concerns were: (a) establishment of a corporate compliance board to assess required action on identified fraud by staff and service contractors; (b) development of dashboards and tools to monitor compliance under key risk areas; and (c) roll-out of training for human resources practitioners.

24. In 2016, eight virtual meetings were held for the human resources community, and three regional workshops were conducted. All 160 offices are using an 'e-recruit' platform, which has improved the efficiency of recruitment. A new set of leadership development courses, launched in 2017, takes a holistic view of developing leadership capacity. Work on the business models on alignment of staff capacity for delivery of the new Strategic Plan, including skills training and new skills, will inform staff development requirements.

25. Further actions under this audit priority are required to address the alignment of staff capacity with the Strategic Plan, 2018-2021.

E. Financial management and sustainability of country offices

26. Financial accountability is a major priority for the organization as it seeks to address the following challenges: (a) financial sustainability of country offices; (b) management of advances; (c) management of banking risks; (d) accurate recording of expenditures; (e) document management for financial transactions; and (f) mitigation of fraud risks and improved recovery of fraud-related losses.

27. Key management actions planned to address the financial management issues were: (a) an enhanced strategy for cost recovery (general management support, government local office contribution collection, direct project charging implementation, strengthening of cost recovery from other United Nations organizations); (b) reducing the number of banks by concentrating banking relationships and expanding the use of electronic fund transfers for local payments; (c) carrying out a root-cause analysis of factors contributing to the main reasons for the net financial impact (inaccurate recording of expenditures and lack of supporting documents), and developing the strategies to address them; (d) establishing a corporate compliance board to assess required action on identified fraud; (e) reducing the time taken to complete investigations and improve recovery of funds lost due to fraud; and (f) improved planning and budgeting.

28. The Strategic Plan, 2018-2021, which encompasses the integrated resources plan and the integrated budget, seeks to improve financial management by streamlining business processes, sourcing and scaling up innovations in business operations, instruments, and processes for cost-effective delivery of the sustainable development goals, and focusing on sustainability with respect to the institutional component of the budget. These objectives will be further supported through the business models initiative.

29. Progress has been made on reducing banking risks through the phased implementation of secure electronic funds transfer for local payments, and 10 country offices had gone live as of November 2017. Work on this project will continue in 2018. The number of banks used by country offices has been reduced, while the number of banks used by headquarters remains at the same level as in prior years.

30. The percentage of unsupported or inadequately supported expenses and incorrect recording of advances or expenditures identified in Office of Audit and Investigations audits has decreased, from $8.8 million for 2015 to $6.15 million in 2016.

31. In 2016, a task force chaired by the Bureau for Management Services was established to evaluate the recovery of assets lost due to fraud and theft in recent years. The task force explored the challenges in asset recovery, as well as best practices and solutions, so as to increase the rate of recovery. Approximately $2.23 million was recovered in 2016, from seven cases reported in previous years. As of June 2017, UNDP had recovered approximately $42,000 (2.9 per cent) of the $1.4 million loss identified in 2016. One case, involving fraud, accounted for the majority of that loss. UNDP used all means possible, including obtaining voluntary surrender of the staff member's pension, to improve recovery, which required collaboration with United Nations system entities and national authorities on potential prosecution.

32. At the beginning of 2017, UNDP rolled out 'self-assertion' (attestation), with all heads of offices required to certify the performance of key controls in their offices. In May 2017, a consolidated code of ethics, outlining guidance on ethics issues, was distributed to all staff. All staff are required to complete ethics training, which has helped in increasing awareness. Enhancement and development of mandatory anti-fraud training materials is currently in progress, preparing for roll-out to staff by early 2018.

33. Further progress is required in this area, especially to fully implement host-to-host banking platforms for secure electronic funds transfer of local payments, and the establishment of a corporate compliance board to take over the functions presently being carried out by the task force. Management is working to have these actions completed by the second quarter of 2018.

F. Partnerships and resource mobilization

34. Under this priority, UNDP continues to diversify its regular resources funding sources, strengthen partner engagement, and improve donor intelligence and mapping to the organizational priorities.

35. Key management actions planned for this priority were: (a) development of country resource mobilization action plans; and (b) prioritization of corporate and country office resource mobilization efforts that feed into the action plans.

36. Contributions to regular resources were $618 million in 2016 and are expected to be $600 million in 2017, from 64 partners. All bureaus have completed resource mobilization mappings, and all country offices have resource mobilization strategies.

37. With support from funding partners, UNDP will work to change the mix and quality of resources, with the objective of transitioning from heavily earmarked to less earmarked funding and providing more agility to respond to development and crisis situations in the period 2018-2021.

38. Recognizing the changing development arena, UNDP will expand its catalogue of financial instruments to help programme countries access development finance opportunities and to provide partners with different modalities for investing in the 2030 Agenda for Sustainable Development.

39. Further progress is required in this area to transform the objectives included in the Strategic Plan to actionable activities that will reverse the decline in core resources and encourage the transition from heavily earmarked to less earmarked funding. The support of the funding partners will be essential to achieving significant progress on this priority.

G. Integration and operationalization of enterprise risk management

40. Under this priority, management actions planned to address these risks were: (a) roll out enterprise risk management training to all regions; (b) formally delegate authority for key senior

management staff in all offices; (c) attest and verify internal controls; and (d) regularly monitor corporate risks identified by the Risk Management Committee during the planning process.

41. Enterprise risk management training was provided to all regions in 2016 and early 2017. The annual workplans of all offices include a risk log. The risks from all offices are populated in the corporate planning system for reporting and monitoring purposes. UNDP prepares a quarterly report on corporate risks, which are considered by the Risk Management Committee chaired by the Associate Administrator.

42. Further progress is required to embed risk management practices into all the activities that UNDP implements, and into the day-to-day running of the organization. This includes effective risk-taking accompanied by robust risk management actions, escalation of risks, and managing risk exposure. Further actions to improve risk management are being taking with the guidance and leadership of the Risk Management Committee.

III. Status of audit recommendations of the Board of Auditors for the year ended 31 December 2016

43. For the year ended 31 December 2016, the Board of Auditors, in its audit report of UNDP (A/72/5/Add.1), issued 32 audit recommendations (2015: 33 recommendations). Of those, 12 were classified as 'high priority' while the remaining 20 were assigned a 'medium priority' rating. Management agreed with all recommendations issued.

44. Of the 32 recommendations issued, 16 per cent relate to project design, management and evaluation. Implementation of the recommendations will require continuous efforts by UNDP management to address underlying issues, primarily the need for project-level quality assurance; monitoring and evaluation; monitoring of activities carried out through implementing partners; and monitoring compliance.

45. Consistent with practices adopted in previous years, and as agreed with the Board of Auditors, UNDP has a phased approach for implementing the audit recommendations, with clear accountabilities for the implementation of each recommendation and target completion dates. The phased approach is based on the complexity and time required to resolve and discuss each issue with the Board of Auditors. It is important to note that implementation of the 2016 recommendations could start only after issuance of the final report of Board of Auditors in July 2017.

46. As of end-November 2017, four months after the formal release of the report of the Board of Auditors, UNDP was pleased to note that management actions had already commenced on all of the 32 audit recommendations to ensure full implementation by the target completion dates. Pursuant to decision 2010/9, a tabular listing of the status of audit recommendations implementation is available on the Executive Board web page.

47. The 32 audit recommendations issued by the Board of Auditors for the 2016 financial year have target completion dates in the first and second quarters of 2018. Five of the recommendations had been assessed by the Board of Auditors as implemented prior to the target completion date. The remaining 27 recommendations are in progress.

Table1. Implementation status by target completion dates – UNDP

Target completion date	Number	Implemented or closure requested	In progress	To be started	Total
2018, 1st quarter	12	2	10	0	12
2018, 2nd quarter	20	3	17	0	20
Grand total	**32**	**5**	**27**	**0**	**32**
Percentage	**100%**	**15%**	**85%**	**0**	**100%**

Table 2. Implementation status by priority – UNDP

Priority	Implemented or closure requested	In progress	To be started	Total
High	2	10	0	12
Medium	3	17	0	20
Total	**5**	**27**	**0**	**32**
Percentage of total	**15%**	**85%**	**0**	**100%**

48. For UNCDF, the Board of Auditors issued a total of eight audit recommendations for the 2016 financial year, with target completion dates in the first and second quarters of 2018. Of those, three had been assessed by the Board of Auditors as implemented prior to the implementation target date. The remaining five recommendations are in progress.

Table 3. Implementation status by target completion dates – UNCDF

Target completion date	Number	Implemented or closure requested	In progress	To be started	Total
2018, 1st quarter	2	1	1	0	2
2018, 2nd quarter	6	2	4	0	6
Grand total	**8**	**3**	**5**	**0**	**8**
Percentage	**100%**	**38%**	**62%**	**0**	**100%**

Table 4. Implementation status by priority – UNCDF

Priority	Implemented or closure requested	In progress	To be started	Total
High	1	1	0	2
Medium	2	4	0	6
Total	**3**	**5**	**0**	**8**
Percentage of total	**38%**	**62%**	**0**	**100 %**

IV. Status of audit recommendations of the United Nations Board of Auditors for the year ended 31 December 2015 and prior years

49. As of November 2017, of the 33 audit recommendations issued to UNDP for the 2015 financial year, 23 (70 per cent) were assessed as fully implemented by the Board of Auditors; six (21 per cent) were reiterated by the Board of Auditors; three (9 per cent) are in progress, with management actions implemented; and one was overtaken by events. All of the seven recommendations remaining from the 2014 and 2013 annual audits were assessed as fully implemented in 2016.

50. The six reiterated recommendations were being implemented as part of the 31 December 2016 report of the Board of Auditors. These recurring issues were prioritized in two of the top seven audit priorities under as follows; (a) implementing partner fiduciary and capacity risk management and; (b) the programme/project management and evaluation priorities. The reiterated recommendations were being implemented and addressed as explained in paragraphs 13, 16 and 17.

Table 5. Implementation status of previous years' recommendations - UNDP

Recommendation status	Number of recommendations	Percentage of total
Implemented	23	70 %

Overtaken by events	1	3%
Reiterated	6	18%
In progress	3	9%
Total	**33**	**100**

51. For UNCDF, as of November 2016, of the 16 recommendations reported as not implemented from previous year reports, 94 per cent were assessed as 'fully implemented' or 'overtaken by events' and thus closed, and six per cent (one recommendation) was under implementation.

Table 6. Implementation status of previous years' recommendations - UNCDF

Recommendation status	Number of recommendations	Percentage of total
Implemented	14	88%
Overtaken by events	1	6%
Reiterated	0	0
In progress	1	6%
Total	**16**	**100%**

V. Conclusion

52. UNDP and UNCDF are pleased to receive an unqualified audit opinion from the Board of Auditors. This is a great testament to the hard work of all staff across UNDP and UNCDF offices globally. The top seven audit-related management priorities for 2016-2017 and the actions required to address them establish a framework for UNDP management to respond to current and emerging challenges. The Executive Group and the Organizational Performance Group will closely monitor progress made in addressing audit-related management priorities, with a view to ensuring that UNDP continues to enhance productivity, accountability, transparency and performance while making every effort to close the recommendations of the Board of Auditors in a timely manner.

Annex 1

UNDP top seven audit-related management priorities for the 2016–2017 period and assessment of progress

1. Implementing partner fiduciary and capacity management	
2. Procurement oversight and fraud mitigation strategies	
3. Financial management and sustainability of country offices	
4. Integration and operationalization of enterprise risk management	

5. Programme/project management and evaluation	
6. Human resources management and appropriate organizational structures	
7. Partnerships and resource mobilization	

Legend used	Colour code
Conditions effectively addressed	5
Good improvements noted. On target	4
Improvements noted. More work remains	3
Remedial actions yet to be fully taken or intended effects of actions yet to be fully realized or inherent risks to be mitigated	2
Conditions worsened	